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SHOOK, HARDY & BACON L.L.P.  
(c/o MICROSOFT CORPORATION)  
INTELLECTUAL PROPERTY DEPARTMENT  
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EXAMINER
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POUNCIL, DARNELL A

ART UNIT	PAPER NUMBER
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3688

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08/18/2009

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/805,873	<b>Applicant(s)</b> PAYNE ET AL.	
	<b>Examiner</b> DARNELL POUNCIL	<b>Art Unit</b> 3688	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 21 April 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-32 and 34-46 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-32 and 34-46 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>04/21/2009</u> .  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Prosecution History Summary***

**1.** Claims 1-32 and 34 - 46 are currently pending in the instant application.

Claims 1, 13-14, 16-32, and 34-46 have been amended and claim 33 has been cancelled per Applicant's submission on 4/21/2009.

### ***Response to Amendment***

**2.** In light of Applicant's submission filed 4/21/2009, the Examiner has withdrawn the 35 USC 101 rejections. Examiner has also withdrawn the claim objection to claims 33- 46, per Applicant's submission on 4/21/2009.

### ***Claim Rejections - 35 USC § 112***

**3.** The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**4.** The term "substantially" in claim 15, 25, & 46 is a relative term which renders the claim indefinite. The term "substantially " is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

**5.** Claim 27 recites the limitation "the CTR" in lines 4 - 6 of claim 26. There is insufficient antecedent basis for this limitation in the claim. The examiner is unsure which CTR the applicant is referring to, the actual CTR or the expected CTR.

***Claim Rejections - 35 USC § 102***

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7. Claims 1-32 and 34 - 46 rejected under 35 U.S.C. 102 (e) as being anticipated by Kamangar et al. (US 2003/0046161)

With respect to **Claims 1**: Kamangar discloses a computer implemented method for performed on a first computer for displaying on a screen coupled to a second computer optimizing placement of search result listings displayed in a search Web page, the method comprising:

said first computer measuring an actual performance of a listing located in a Web page containing a search term and a search result corresponding to the search term, wherein the actual performance comprises at least one of click-through rate(CTR) and context of the listing; [0014 & 0040] wherein the expected performance comprises at least one of a user defined expected CTR and the context of the listing; [0014, 0040, & 0042]

assigning an expected performance for the listing based on the location, wherein the expected performance comprises at least one of a user defined expected CTR and context of the

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listing; [0014 & 0042]

said first computer comparing to the actual performance to the expected performance for the listing. [0042 and [0043]

promoting the listing to a more prominent location when the actual performance is better than the expected performance; and [0042, 0049]

demoting the listing to a less prominent location when the actual performance is poorer than the expected performance; [0042, 0049]

and displaying the listing at the more prominent location or at the less prominent location. (Fig. 5, item 618a would be the more prominent location and item 618c would be the less prominent location)

With respect to **Claim 2**: Kamangar discloses wherein assigning the expected performance includes increasing the expected performance when the listing is in a more prominent location, and decreasing the expected performance when the listing is in a less prominent location. ([0043], reads that ads are ordered based on their scores, one of the performance parameters used could be a customized click through rate as disclosed in [0042])

With respect to **Claims 3-6**: Kamangar discloses, wherein the listing is prominently located when it is included in the search result, wherein the listing is in a more prominent location located when it is located near the search term, wherein the listing is in a less prominent location when it is located in a sidebar on the Web page, wherein the listing is in a less

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prominent location when it is located separately from the search result. ([0051] & Fig. 6)

With respect to **Claim 7**: Kamangar discloses further comprising increasing the expected performance of the listing based on a context of the listing, wherein the context of the listing comprises factors that increase performance, including at least one of a position of the listing above other listings, a larger size of the listing relative to other listings, a distinctive formatting applied to the display of the listing, including a contrasting color, a highlighting, an animation, and a graphic, and a good performance of a neighboring listing. [0024, 0025, & 0028]

With respect to **Claims 8**: Kamangar discloses, further comprising decreasing the expected performance of the listing based on a context of the listing, wherein the context of the listing comprises factors that decrease performance, including at least one of a position of the listing below other listings, a smaller size of the listing relative to other listings, a lack of distinctive formatting applied to the display of the listing, and a poor performance of a neighboring listing. [0040]

With respect to **Claim 9**: Kamangar discloses, wherein the performance of a listing is a click-through rate, where the click-through rate is derived from a number of times the listing is displayed in the Web page as compared to a number of times the listing is clicked after being displayed. [0040]

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With respect to **Claims 10**: Kamangar discloses, wherein the listing is an unpaid listing, and the expected performance is a threshold level that is tuned to optimize unpaid listing relevance. [0041, 0052]

With respect to **Claim 11**: Kamangar discloses, wherein the listing is a paid listing that generates advertising revenue each time it is clicked, and the expected performance is a threshold level that is tuned to optimize paid listing revenue. [0041 and 0044]

With respect to **Claim 12**: Kamangar discloses, wherein the expected performance of a listing is a threshold performance level that is tuned to a particular market. [0025 & 0028]

With respect to **Claim 13**: Kamangar discloses, wherein the performance of a listing is based on an overall performance of a set of listings to which the listing belongs, and promoting and demoting the listing includes promoting and demoting the set of listings based on the overall performance. [0043]

With respect to **Claim 14**: Kamangar discloses, wherein the overall performance of the set of listings is based on the expected performance of each listing in the set, wherein the expected performance varies based on a position of each listing within the set. [0041-0044])

With respect to **Claim 15**: Kamangar discloses, wherein the actual performance is better than the expected performance when the actual performance substantially exceeds the expected

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performance, and poorer when the actual performance falls substantially short of the expected performance. [0040-0043]

***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 16 – 32, 34 – 46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kamangar US (2003/0046161) in view of Meisel et al (2003/0033292)

With respect to **Claim 16**: Kamangar discloses, a search results optimization system comprising: a performance measurement process to measure an actual performance of a listing appearing in a search results Web page against an expected performance level, wherein the actual performance comprises at least one click-through rate(CTR) and context of the listing and a listing placement process to promote the listing to the more prominent location when the actual performance measures higher than the expected performance level, and to demote the listing to the less prominent location when the actual performance measures lower than the expected performance level; and a displaying process to display the listing at the more prominent location or at the less prominent location (Kamangar [14, 30, 38, 40-43]) but does not explicitly disclose where the expected performance level comprises a user defined expected CTR that is adjusted



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based on whether the listing appears in a more prominent or less prominent location.

However Meisel discloses where the expected performance level comprises a user defined expected CTR that is adjusted based on whether the listing appears in a more prominent or less prominent location [0075]

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention, to have modified method of Kamangar as to include where the expected performance level comprises a user defined expected CTR that is adjusted based on whether the listing appears in a more prominent or less prominent location, in order to provide a user a method of judging the performance and also controlling the advertisements based on said performance.

With respect to **Claim 17**: Kamangar discloses, wherein to measure an actual performance includes capturing a number of impressions of a listing and a number of clicks on a listing, and a current location of the listing relative to a location of the search results on the Web page. [0014, 0026]

With respect to **Claim 18**: Kamangar discloses, wherein the more prominent location is a location in which a listing is expected to receive a greater number of clicks than that received in the less prominent location. [0044]

With respect to **Claims 19-21, & 34-37**: Kamangar discloses, wherein the listing is prominently located when it is included in the search result, wherein the listing is in a more

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prominent location located when it is located near the search term, wherein the listing is in a less prominent location when it is located in a sidebar on the Web page, wherein the listing is in a less prominent location when it is located separately from the search result. ([0051] & Fig. 6)

With respect to **Claim 22**: Kamangar discloses, wherein the expected performance levels in the performance settings repository are tuned to optimize at least one of advertising revenue and search result relevance. ([0030] & Fig2)

With respect to **Claim 23**: Kamangar discloses, wherein the performance measurement process takes a context of the listing into consideration when measuring the actual performance of the listing against the expected performance level for the listing. [0025 & 0040]

With respect to **Claim 24**: Kamangar discloses, wherein the context of the listing comprises factors that increase performance, including at least one of a position of the listing above other listings, a larger size of the listing relative to other listings, a distinctive formatting applied to the display of the listing, including a contrasting color, a highlighting, an animation, and a graphic, and a good performance of a neighboring listing, and factors that decrease performance, including at least one of a position of the listing below other listings, a smaller size of the listing relative to other listings, a lack of distinctive formatting applied to the display of the listing, and a poor performance of a neighboring listing. [0025, 0028, 0040, 0049]

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With respect to Claim 25: Kamangar discloses the system computer-readable media of Claim 16, wherein the actual performance measures higher than the expected performance level when the actual performance is substantially greater than the expected performance, and measures lower when the actual performance is substantially less than the expected performance. [0040-0043]

With respect to **Claim 26**: Kamangar discloses, one or more computer-accessible media having instructions for facilitating the optimal placement of search result listings in a search result user interface, the instructions comprising:

placing a listing for a search result in an initial location based on an expected click-through rate (CTR); (Kamangar [43])

capturing an actual CTR of the listing; (Kamangar [40]) but does not explicitly disclose normalizing the actual CTR based on the location;

and promoting the listing to a more desirable location when the normalized CTR is better than the expected CTR, and demote the listing to a less desirable location when the normalized CTR is worse than the expected CTR.

However Meisel discloses normalizing the actual CTR based on the location;[0088] and promoting the listing to a more desirable location when the normalized CTR is better than the expected CTR, and demote the listing to a less desirable location when the normalized CTR is worse than the expected CTR. [0079 & 0081]

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention, to have modified method of Kamangar as to include normalizing the actual CTR

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based on the location; and promoting the listing to a more desirable location when the normalized CTR is better than the expected CTR, and demote the listing to a less desirable location when the normalized CTR is worse than the expected CTR, in order to provide current statistical information that will reflect normalized results, since .

With respect to **Claim 27**: Kamangar and Meisel discloses, the computer-accessible media of claim 26, Kamangar further teaches wherein capturing an actual CTR of the listing includes capturing a location of the listing when it was clicked, [0035, 0040] but does not explicitly disclose the instruction to normalizing the actual CTR adjusts the CTR down when the location has a positive influence on CTR, and adjusts the CTR up when the location has a negative influence on CTR. (Kamangar [35-38, 40] Fig.4)

However Meisel discloses the instruction to normalize the actual CTR is to adjust the CTR down when the location has a positive influence on CTR, and to adjust the CTR up when the location has a negative influence on CTR. [0078]

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention, to have modified method of Kamangar as to include the instruction to normalize the actual CTR is to adjust the CTR down when the location has a positive influence on CTR, and to adjust the CTR up when the location has a negative influence on CTR, in order to provide a user with a normalized CTR with out the influences of the location that could be used to give inaccurate results and thereby giving a user a more effective method of analyzing the performance of the advertisements.

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With respect to **Claim 28**: Kamangar and Meisel discloses, the computer-accessible media of claim 26 Kamangar further discloses capturing a context of the listing when it was clicked, ( [0025, 0026 & 0040]) but does not explicitly disclose wherein normalizing the actual CTR includes normalizing the actual CTR based on the context.

However Meisel discloses wherein normalizing the actual CTR includes normalizing the actual CTR based on the context. [0074]

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention, to have modified method of Kamangar as to included wherein normalizing the actual CTR includes normalizing the actual CTR based on the context, in order to provide an accurate CTR that would be used to judge the performance of the listing.

With respect to **Claim 29**: Kamangar discloses, wherein the context of the listing comprises factors that influence performance, including at least one of a position of the listing relative to other listings appearing in the search results user interface, a size of the listing relative to other listings, a presence or absence of distinctive formatting applied to the display of the listing relative to the other listings, including a contrasting color, a highlighting, an animation, and a graphic, and a CTR of an adjacent listing. [0024, 0025, & 0028]

With respect to **Claim 30**: Kamangar discloses, wherein the listing is a pay-per-click listing and the expected CTR is set to optimize revenue earned from the listing. [0014 & 0046])

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With respect to **Claim 31**: Kamangar discloses wherein the listing is an unpaid listing and he expected CTR is set to optimize relevance of the placement of the search result listing. [0051]

With respect to Claim 32: Kamangar discloses, one or more computer-accessible media having computer-executable instructions embodied thereon that, when executed, cause a computing device to perform for performing a method for displaying on a display device a search result Web page for a search term query, the search result Web page including at least two sections in which to display a search result listing, the at least two sections including a first section one section located in a more prominent area of the display device and a second section located in a less prominent area of the display device, the method comprising:

said computing device measuring an actual performance of the search result listing, wherein the actual performance comprises at least one of CTR and context of the listing; [0014 & 0040]

said computing device comparing the actual performance to the expected performance; [0042 & 0043]

moving the listing to the more prominent first section when the actual performance is better than the expected performance; ([0042 & 0049], Fig. 6)

moving the listing to the less prominent second section when the actual performance is poorer than the expected performance; ([0042 & 0049], Fig. 6) but does not explicitly disclose assigning an expected performance of a search result listing based on a user defined expected

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click-through rate (CTR) that is adjusted based on a location of the section in the Web page in which it appears;

displaying the listing in the more prominent first section or in the less prominent second section and wherein assigning the expected performance includes increasing the expected performance when the listing is in the more prominent first section and decreasing the expected performance when the listing is in the less prominent second section.

However Meisel discloses assigning an expected performance of a search result listing based on a user defined expected click-through rate (CTR) that is adjusted based on a location of the section in the Web page in which it appears;[0075] displaying the listing in the more prominent first section or in the less prominent second section and wherein assigning the expected performance includes increasing the expected performance when the listing is in the more prominent first section and decreasing the expected performance when the listing is in the less prominent second section. [0074]

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention, to have modified method of Kamangar as to have included assigning an expected performance of a search result listing based on a user defined expected click-through rate (CTR) that is adjusted based on a location of the section in the Web page in which it appears; displaying the listing in the more prominent first section or in the less prominent second section and wherein assigning the expected performance includes increasing the expected performance when the listing is in the more prominent first section and decreasing the expected performance when the listing is in the less prominent second section, in order to provide the user with a

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method of insuring the listing is being placed in the most efficient location for said listing.

With respect to **Claim 34**: Kamangar discloses the computer-accessible media of Claim 32, wherein the more prominent first section includes the most relevant search result listings. ([0049], Fig. 6)

With respect to **Claim 35**: Kamangar discloses the computer-accessible media of Claim 32, wherein the more prominent first section is located near a search term entry associated with the search result listings. ([0049], Fig. 6)

With respect to **Claim 36**: Kamangar discloses the computer-accessible media of Claim 32, wherein the less prominent second section is located in a sidebar on the Web page. ([0049], Fig. 6)

With respect to **Claim 37**: Kamangar discloses the computer-accessible media of Claim 32, wherein the less prominent second section includes less relevant search result listings than the more prominent first section. ([0049], Fig. 6)

With respect to **Claim 38**: Kamangar discloses the computer-accessible media of Claim 32, further comprising increasing the expected performance of the listing based on a context of the listing, wherein the context of the listing comprises factors that increase performance, including at least one of a position of the listing above other listings, a larger size of the listing relative to other listings, a distinctive formatting applied to the display of the listing, including a



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contrasting color, a highlighting, an animation, and a graphic, and a good performance of a neighboring listing. [0024, 0025, & 0028]

With respect to **Claim 39**: Kamangar discloses the computer-accessible media method of Claim 32, further comprising decreasing the expected performance of the listing based on a context of the listing, wherein the context of the listing comprises factors that decrease performance, including at least one of a position of the listing below other listings, a smaller size of the listing relative to other listings, a lack of distinctive formatting applied to the display of the listing, and a poor performance of a neighboring listing. [0024, 0025, & 0028]

With respect to **Claim 40**: Kamangar discloses the computer-accessible media of Claim 32, wherein the performance of a listing is a click-through rate, where the click-through rate is derived from a number of times the listing is displayed in the Web page as compared to a number of times the listing is clicked after being displayed. [0040]

With respect to **Claim 41**: Kamangar discloses the computer-accessible media of Claim 32, wherein the listing is an unpaid listing, and the expected performance is a threshold level that is tuned to optimize unpaid listing relevance. [0041, 0052]

With respect to **Claim 42**: Kamangar discloses the computer-accessible media of Claim 32, wherein the listing is paid listing that generates advertising revenue each time it is clicked, and the expected performance is a threshold level that is tuned to optimize paid listing revenue.

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[0041 & 0044]

With respect to **Claim 43**: Kamangar discloses the computer-accessible media of Claim 32, wherein the expected performance of a listing is a threshold performance level that is tuned to a particular market. [0025 & 0028]

With respect to **Claim 44**: Kamangar discloses the computer-accessible media of Claim 32, wherein the performance of a listing is based on an overall performance of the section in which the listing appears, and moving the listing includes moving all of the listings appearing in the section based on the overall performance. [0043]

With respect to **Claim 45**: Kamangar discloses the computer-accessible media of Claim 44, wherein the overall performance of the first and second sections section is based on the expected performance of each listing in the first and second sections section, wherein the expected performance is based on where each listing appears within the first and second sections section. ([0049], Fig. 6)

With respect to **Claim 46**: Kamangar discloses the computer-accessible media method of Claim 32, wherein the actual performance is better than the expected performance when the actual performance substantially exceeds the expected performance, and poorer when the actual performance falls substantially short of the expected performance. [0040 – 0043]

***Response to Arguments***

10. Applicant's arguments filed April 21, 2009 have been fully considered but they are not persuasive.

a. The applicant argues in regards to claims 1, 16 and 32 that Kamangar fails to disclose comparing actual performance data and expected performance data of a single ad and utilizing that comparison to determine changes in the ad's placement on a page. The Examiner notes that as previously stated in the previous office action, that the claim language states that the actual performance and the expected performance includes the **context of the listing**. The Examiner directs the applicant to the applicant's specification, the last sentence of page 3 reads, "The listing's context may include a number of factors that are known to influence performance, including the location of the listing, the amount of display area that the listing occupies, **the neighboring listings**, and the display format characteristics..." The bolded section of the previous sentence contradicts the applicants argument that the listing is promoted or demoted based on the listing's own performance and that the listing is not dependent on the performance of any other listing. As stated previously, Kamangar discloses ¶40, examples of a performance parameter include a click through rate (i.e. actual performance comprising a click through rate), also disclosed in ¶40, Kamangar discloses the user interest for the ad weighted for the size relative to other ads(i.e. actual performance comprising a context of the listing). Kamangar also discloses in ¶42, achieving desired results by way of customizing the performance parameters, said parameters in this case the click through rate. As stated in the pervious office action ¶14 reads on the context of the listing as being used as a performance parameter.

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The applicant also argues that Kamangar fails to disclose a “user defined expected CTR”

The Examiner respectfully disagrees and directs the applicant to Kamangar paragraph 42, that states, "customize the performance parameter (in this case click-through rate)..” which reads on a user defined click through rate. The applicant also argues that the user as disclosed by Kamangar is not a web publisher. The Examiner respectfully disagrees, a user would be in fact a web publisher or another developer and a user that would navigate to said site would not be allowed to customize said click through rate.

b. Also in regards to claim 16 the applicant argues that the prior art fails to disclose, "a user defined expected CTR." and that the user in the context of the independent claim 16 is a publisher. The examiner respectfully disagrees and informs the applicant that independent claim 16, is not a method but a system/ apparatus and is examined based on the structure. Upon examination of said structure the structure only needs to be capable of performing the necessary steps. 2114 of the MPEP states:

A claim containing a “recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus” if the prior art apparatus teaches all the structural limitations of the claim.

Examiner first notes that claim 16 is an apparatus claim, not a method claim as stated above. A rule that governs infringement of a method claim may not always govern infringement of an apparatus claim. *See, e.g., NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 2005 U.S. App. LEXIS 15920 (Fed. Cir. 2005) (distinguishing between method claims and apparatus claims for the purpose of determining infringement under section 271(a)). To infringe an

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apparatus claim, the device must meet all of the structural limitations. *See Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1468 (Fed. Cir. 1990) ("Apparatus claims cover what a device *is*, not what a device *does*."); *In re Michlin*, 45 C.C.P.A. 1028, 256 F.2d 317, 320, 1958 Dec. Comm'r Pat. 408 (C.C.P.A. 1958) ("It is well settled that patentability of apparatus claims must depend upon structural limitations and not upon statements of function."). Because Apparatus claims cover what a device *is*, not what a device *does*, the function associated with said device is considered mere intended use of the structure. As such, as long as the structure cited in the prior art is capable of performing the associate function, the claim limitation is met

The user defined click through rate claimed by the Applicant are NOT features that patentably distinguish the claim over the click through rate disclosed by Kamangar because the structure disclosed Kamangar is clearly capable of being applied for Applicant's claimed purpose

c. Applicant submits that the dependent claims 17-25 are allowable in view of Applicant's arguments made in regard to the amended independent claim 16. For the same reasons above regarding the amended independent claim, the Examiner respectfully disagrees.

d. In regards to the applicants arguments regarding claim 26 – 31 are considered moot in light of the new rejection above.

e. The applicant argues in regards to claims 13 and 44 that Kamangar fails to disclose that where it is determined that the set should be moved all of the listing in the set are either promoted together or demoted together as a set. The examiner notes that Kamangar

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discloses in ¶ 33 that selecting a final set of one or more of the candidate ads. The applicant further argues that a set would include two or more. The Examiner respectfully disagrees and there is no language in the specification that defines a set as being two or more ads. A set as defined mathematically can be an empty set or a set can include one or more items.

f. In regards to the applicants arguments of claims 26 – 46 are considered moot in light of the new rejection above.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DARNELL POUNCIL whose telephone number is (571)270-3509. The examiner can normally be reached on Monday to Thursday 8 to 5 EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571)272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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/D. P./

Examiner, Art Unit 3688

/ROBERT WEINHARDT/

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